
CLERK'S ADMINISTRATION OF FUNDS OWED TO MINORS AND INCAPACITATED ADULTS

I. Introduction

- A. G.S. § 7A-111 sets out a procedure that allows certain funds of a minor or an incapacitated adult **below certain dollar amounts** to be managed by the clerk without the need for a guardianship of the estate or a general guardianship. Funds in excess of those amounts are not governed by statutes, and are discussed in Sections III and IV beginning at page 88.9.
- B. What constitutes G.S. § 7A-111 funds.
 - 1. G.S. § 7A-111 funds are limited to those described in the statute.
 - a) For a minor, the only funds that the clerk can accept as 7A-111 funds are those not exceeding \$25,000:
 - (1) Due the minor as the beneficiary of a life insurance policy; or
 - (2) In the possession of any person for the minor.
 - (a) Any funds received by the clerk for a minor under \$25,000 can be considered 7A-111 funds under this paragraph.
 - (b) This would include funds from the settlement of a minor's personal injury suit, funds from a wrongful death action in which a minor is a heir, and funds from the sale of a minor's interest in property pursuant to a special proceeding.
 - (c) See section II at page 88.2 for more on administration of funds for a minor not exceeding \$25,000.
 - b) For a mentally incapable adult the only funds the clerk can accept as 7A-111 funds are those not exceeding \$5,000:
 - (1) Due the mentally incapable adult as the beneficiary of a life insurance policy; or
 - (2) In the possession of any person for the mentally incapable adult. See section VI at page 88.12 for more on administration of funds for an incapacitated adult.

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2. Funds in excess of \$25,000 received by the clerk for a minor pursuant to a court order are not 7A-111 funds. These funds are administered, invested and disbursed as set out in section III at page 88.9.
 3. Funds in excess of \$25,000 that the clerk accepts for a minor without a court order are not 7A-111 funds. These funds are administered, invested and disbursed as set out in section IV at page 88.11.
- C. Administration of funds under G.S. § 7A-111 is not a special proceeding. The matter should be maintained as an estate file throughout. [Rule of Recordkeeping 6.1] The matter is maintained as an estate file even if the funds exceed \$25,000.
- D. For information on distributions to a minor from an estate, see Distribution and Renunciation of Interests, Estates, Guardianships and Trusts, Chapter 81.

II. Administration of Funds for a Minor Not Exceeding \$25,000

- A. "Minor" means an unemancipated person under 18.
- B. Receipt of minor's money.
1. Insurance proceeds. When a minor under 18 is named beneficiary in a policy or policies of insurance, and the insured dies before the minor reaches majority, and the proceeds of each individual policy do not exceed \$25,000, the insurer may pay the proceeds to the clerk where the beneficiary is domiciled. The receipt of the clerk is a full and complete discharge of the insurer to the extent of the amount paid. [G.S. § 7A-111(a)]
 - a) This is \$25,000 or less **per** policy. In other words, the \$25,000 limitation applies to each policy payable to a beneficiary and does not limit the total amount that the clerk can receive for a minor beneficiary to \$25,000.

EXAMPLE: Father of a minor is killed in a traffic accident. Father had a life insurance policy at work payable to the minor in the amount of \$20,000. Father had another life insurance policy that father had purchased with the minor as beneficiary in the amount of \$25,000. Clerk can receive and administer each policy amount (the full \$45,000) for the minor.
 - b) For receipt of funds from multiple sources for the same minor, see section II.B.4 on page 88.3. For taking an investment fee on funds received from multiple sources for the same person, see section II.C.6 at page 88.5.
 2. Other funds. Any person having possession of \$25,000 or less for any minor under 18 for whom there is no general guardian or guardian of the estate may pay such monies to the clerk of superior court of the county of the recipient's domicile. Receipt of the clerk is

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a valid release of the payor's obligation to the extent of the amount paid. [G.S. § 7A-111(a)]

- a) This is \$25,000 or less **per** source or payor. In other words, the \$25,000 limitation applies to each payor and does not limit the total amount that the clerk can receive for a minor beneficiary to \$25,000.

EXAMPLE: Father of a minor is killed in a traffic accident. A suit is brought for the wrongful death of the father.

Father's will includes a \$25,000 cash bequest to the minor. The wrongful death suit settles for \$20,000. The clerk can receive and administer each amount (for a total of \$45,000) for the minor in addition to any amount received for the minor as beneficiary of the father's life insurance policy or policies.

- b) For receipt of funds from multiple sources for the same minor, see section 4 below. For taking an investment fee on funds received from multiple sources for the same person, see section II.C.6 at page 88.5.

- 3. A person paying monies to the clerk under G.S. § 7A-111(a) must furnish the name, last known address, and social security number or taxpayer identification number of the beneficiary or payee, and the name and address of the nearest relative of the beneficiary or payee. [G.S. § 7A-111(c)]

- a) If the payor refuses to give a social security number or taxpayer ID, the clerk may present payor with a copy of the form NOTICE YOUR SOCIAL SECURITY NUMBER, (AOC-A-195).
- b) The clerk must refuse to accept the funds if a social security number or taxpayer ID is not provided. A social security number or taxpayer ID is mandatory when a Form 1099 will be issued.
- c) The clerk has discretion to accept the funds if the other information required by G.S. § 7A-111(c) is not provided.

- 4. Receipt of funds from multiple sources for the same minor.

- a) There may be situations where funds come into the clerk's office at different times for the same minor. The source of the funds coming in at different times may or may not be related.
- b) The clerk should create an E file when the first funds are received. If the clerk is aware of that E file when the clerk receives more funds for that person, most clerks would invest the funds under the same E file number. The new

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funds may be placed in the original investment account, if practical, or may be put in a separate investment account.

- c) The clerk should monitor the total amount of the funds to insure FDIC coverage.

- (1) If funds invested at one institution exceed the amount covered by FDIC, the clerk should split the investment between two or more institutions or should obtain additional collateralization.

- (2) SECURITY AGREEMENT WITH RESOLUTION (AOC-FS-911M) and ESCROW AGENT AGREEMENT (AOC-FS-912M) may be used to collateralize the funds.

5. Authority to take/hold funds **after age 18**.

- a) A clerk does not have authority to take or to hold 7A-111 funds **after** the minor is 18.
- b) A clerk may hold property received by the clerk for a minor under G.S. § 28A-23-2 past the age of majority if the will so authorizes. See Distribution and Renunciation of Interests, Estates, Guardianships and Trusts, Chapter 81.

C. Investment and deposit of minor's money.

- 1. G.S. §§ 7A-112 and -112.1 apply to the deposit and investment of any funds received by virtue or color of the clerk's office, including funds administered by the clerk for a minor under G.S. § 7A-111.

- 2. **Accounts greater than \$2,000.** When money in a single account in excess of \$2000 is received by the clerk by virtue or color of his or her office, and it can reasonably be expected that the money will remain on deposit with the clerk in excess of six months from date of receipt, the clerk:

- a) Shall, within 60 days of receipt, invest the money exceeding \$2,000 in investments authorized by G.S. § 7A-112; and

- b) Shall invest and/or administer the first \$2,000 in accordance with regulations promulgated by the Administrative Office of the Courts. [G.S. § 7A-112(b)] As of the date of publication, there are no such regulations. In the absence of such regulations, the clerk should invest the full amount in accordance with G.S. § 7A-112.

- (1) Investment decisions are in the discretion of the clerk subject to the limitations of G.S. § 7A-112 setting out appropriate securities. [G.S. § 7A-112(a)]

- (2) It is a Class 1 misdemeanor for a clerk to invest money in a manner not authorized by G.S. § 7A-112. [G.S. § 7A-112(d)]

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- (3) These investment requirements do not apply to cash bonds or to money the clerk receives to be disbursed to governmental units. [G.S. § 7A-112(b)]
- 3. **Accounts less than \$2,000.** Money in a single account totaling less than \$2,000 received by the clerk by virtue or color of his or her office, shall be invested and/or administered by the clerk in accordance with regulations promulgated by the Administrative Office of the Courts. [G.S. § 7A-112(b)] As of the date of publication, there are no such regulations. In the absence of such regulations, the clerk should invest the full amount in accordance with G.S. § 7A-112.
- 4. The clerk may be liable for a failure to invest if the clerk is required to invest but does not. Damages for a failure to invest would be the difference between checking account interest and the amount that would have been earned if invested pursuant to G.S. § 7A-112. See Liability of the Clerk, Introduction, Chapter 13.
- 5. The clerk should be careful not to delay investing while waiting for some action to take place, for example, a petition to appoint a guardian. If the clerk is willing to wait a certain period before investing, the clerk should:
 - a) Use timely reminders to ensure follow-up and investment in a timely manner;
 - b) Document the reason for delay in investment; and
 - c) Document attempts to get the information that is delaying investment.
- 6. Taking an investment fee on funds from multiple sources for the same person.
 - a) The clerk must collect a 5% fee on all funds invested by the clerk pursuant to G.S. § 7A-112 before the funds are invested by charging and deducting the fee from each fund. [G.S. § 7A-308.1(2)a]
 - b) Only the balance remaining after collection of the fee shall be invested. [G.S. § 7A-308.1(2)a]
 - c) Over the life of the account, the fee charged on the initial funds and all funds subsequently placed with the clerk for that account must not exceed the investment earnings on the account or \$1,000, whichever is less. [G.S. § 7A-308.1(2)b]
 - d) When the clerk is not aware that funds are already invested for a minor, the clerk collects the 5% investment fee from each new fund before investing.
 - e) When the clerk is aware that funds are already invested for a minor:

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- (1) Some clerks deduct the 5% investment fee from each new fund before investing until the accumulated deductions on all investments for that person total \$1,000. When the fees taken total \$1,000, these clerks do not deduct fees from any other funds received for the minor.
 - (2) Other clerks deduct the 5% investment fee before investing and do not add or otherwise track the fees deducted from each fund for comparison against the \$1,000 cap.
 - f) Before disbursing the funds, the clerk can always adjust the amount of the fees if the clerk feels it is appropriate to do so.
- D. Disbursement of minor's money.
 - 1. Clerk's authority to disburse.

The clerk is authorized to disburse the monies held in such sum or sums and at such time or times as in the clerk's judgment is in the best interest of the child, if the clerk has first determined that:

 - (1) The parents or others responsible for the support of the minor are financially unable to provide necessities for the child; **and**
 - (2) The child is in need of maintenance and support or other necessities, including, when appropriate, education. [G.S. § 7A-111(a)]
 - 2. Clerk's discretion.
 - a) It is always within the clerk's discretion whether to allow a disbursement. The statute authorizes the clerk to allow a disbursement but does not require it. If the clerk is not comfortable allowing a disbursement the clerk can refuse to disburse even if the statutory criteria are met.
 - b) There is no firm rule on the allowance of disbursements. The clerk makes disbursement decisions on a case-by-case basis.
 - (1) While there is no firm rule it is important for the clerk to have a thoughtful and clear policy on disbursements. The clerk must make sure that each assistant clerk applies the clerk's policy in a consistent manner.
 - (2) The clerk does not have to follow the policy of the clerk who preceded him or her if the clerk does not agree with it.
 - c) Some clerks will not allow any disbursements from minor's funds and will require that a guardian be appointed. Other

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- clerks will not allow a minor guardianship for funds under a certain dollar amount.
- d) A sample Petition for Release of Minor's Funds is included as Appendix I. It includes an order approving a request and a receipt to be signed by the person receiving funds.
3. Whether parents are financially unable to provide. In determining whether the parents or others responsible for the support of the minor are financially unable to provide for the minor, the clerk may consider the following:
- a) The circumstances of the family and the minor including medical issues.
 - (1) Medical issues include conditions of a parent that impact on the parent's earning ability or ability to meet daily expenses.
 - (2) Medical issues also include conditions of the minor beyond the parent's ability to pay.
 - b) In cases where a support order has been entered, whether the party requesting disbursement of funds has been diligent in pursuing enforcement and collection of support.
 - c) Whether the party requesting disbursement has exhausted other sources of assistance, such as DSS, Medicaid or resources available through the public schools.
4. Whether the requested disbursement is a necessity.
- a) "Necessities" include whatever is reasonably needed for subsistence, health, comfort and education, considering the person's age, station in life and medical condition. [BLACK'S LAW DICTIONARY 1052 (7th ed. 1999) (definition for "necessaries"); *see also* *N.C. Baptist Hospital v Franklin*, 103 N.C.App. 446, 405 S.E.2d 814, *review denied*, 330 N.C. 197, 412 S.E.2d 58 (1991) (necessaries include clothes, lodging, schooling, and medical and hospital care when ill or injured).]
 - b) Necessities can vary from case to case depending on the particular circumstances presented at the time of the request. They may include, among other things, clothing, transportation, shoes, school supplies, medical supplies, and medical bills.
5. Even if the clerk has determined that the parents or others responsible for the minor are unable to provide a necessity, the clerk does not have to approve the request. The decision to disburse is within the clerk's discretion. Factors the clerk may consider in determining whether to allow a disbursement include:

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- a) How the funds are invested including their liquidity and accessibility.
 - b) The amount of funds invested.
 - c) History of the account including the number of previous disbursement requests.
 - d) Whether principal must be used to fund the request.
 - e) How close the minor is to the age of majority and the likely disposition of funds upon reaching majority.
 - f) Whether the person requesting disbursement has provided proper documentation of previous expenditures.
6. Persons to whom payment is to be made.
- a) Payment should be made only to the provider of the service or goods, a guardian of the person, or a parent or other person who is caring for the minor.
 - b) Clerks should try to pay the provider directly. If payment is to be made directly to the provider, the order should so provide.
 - c) The clerk may allow payment to the person who incurred the expense (the parent or other person caring for the minor) but should be cautious in doing so. In this case, the clerk should require prior approval of the expenditure and should require the person receiving payment to provide documentation of the subsequent expenditure. See section II.D.8 at page 88.9.
7. Disbursement order.
- a) G.S. § 7A-111 funds of a minor should only be disbursed pursuant to an order entered by the clerk. A superior court judge does not have jurisdiction to enter an order directing how the clerk is to distribute funds held by the clerk under G.S. § 7A-111.
 - b) A payment authorization may be used in lieu of a disbursement order.
 - c) Some clerks provide in the order that if a receipt is not furnished, the clerk will not approve future requests.
 - d) It is unclear whether there is an appeal of an order denying a disbursement request. If there is a right to appeal, G.S. § 1-301.3 would apply.
 - e) A sample order approving a disbursement request is included as Appendix I. It includes a petition for the release of funds and a receipt to be signed by the person receiving funds.

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- f) In granting or denying a disbursement request, the clerk should make written findings sufficient to indicate the reason for the decision.
- 8. Documenting expenditures.
 - a) The clerk **must** require receipts or paid vouchers showing that the monies disbursed under G.S. § 7A-111 were used for the **exclusive** use and benefit of the child. [G.S. § 7A-111(a)]
 - b) If the documentation provided is a cancelled check, and the check was not made payable directly to the provider, the person receiving the funds must provide a receipt for the expenditure. Auditors will object if there is no receipt associated with an expenditure.
- 9. Minor's emancipation by marriage or court order. Marriage emancipates a minor. [G.S. § 7B-3509] A minor may also be emancipated by court order. [G.S. § 7B-3507] Emancipation entitles the minor to all funds the clerk is holding under G.S. § 7A-111. The clerk should require a certified copy of the marriage certificate or court order before disbursing the funds to the minor.
- 10. Response to parent or guardian who asks that minor not be given funds when minor reaches majority.
 - a) The clerk should advise that the clerk is not authorized to hold 7A-111 funds after the minor turns 18.
 - b) The clerk should refrain from suggesting options to a parent or guardian as that could constitute giving legal advice.

III. Administration of Funds for a Minor Greater Than \$25,000 With a Court Order

- A. Applicability. This section deals with funds greater than \$25,000 received by the clerk for a minor pursuant to a court order. Because the amount is over \$25,000, the funds are not G.S. § 7A-111 funds.
- B. Receipt of funds pursuant to a court order.
 - 1. There is no clear statutory authority for a judge to order a clerk to hold funds for a minor greater than \$25,000. However, it may be the case that a judge has inherent authority to order funds in excess of \$25,000 to be deposited with the clerk for a minor.
 - 2. The clerk should encourage use of one of the alternatives to clerk administration set out in section V at page 88.11.
- C. Investment of funds received pursuant to a court order.
 - 1. G.S. § 7A-112 applies to any funds received by virtue or color of the clerk's office. Therefore, funds greater than \$25,000 received by the clerk for a minor pursuant to court order should be invested pursuant to this statute.

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2. See section II.C at page 88.4 and Liability of the Clerk, Introduction, Chapter 13, for investment of funds pursuant to G.S. § 7A-112.
- D. Disbursement of funds received pursuant to a court order.
1. There is even more of a question whether a judge has jurisdiction to order disbursement of funds greater than \$25,000 received by the clerk for a minor pursuant to court order.
 2. The general rule is that the clerk is protected when disbursing funds pursuant to a judge's order.
 - a) Exception: when the judge does not have jurisdiction to enter the order. [*See Page v. Sawyer*, 223 N.C. 102, 25 S.E.2d 443 (1943) (clerk liable for paying money to an alleged guardian who presented forged papers, even though clerk directed to do so by court order; order was void for lack of jurisdiction).]
 - (1) A district court judge does not have jurisdiction to order distribution of surplus funds from a foreclosure. [*See Koob v. Koob*, 283 N.C. 129, 195 S.E.2d 552 (1973).]
 - (2) A superior court judge does not have jurisdiction to enter an order directing how the clerk is to distribute minor's funds held by the clerk under G.S. § 7A-111.
 - b) For the clerk to be protected by a judge's order, the judge must have jurisdiction over the claim that resulted in the funds being provided to the minor.
 3. Because the clerk is protected when disbursing funds pursuant to a judge's order when the judge had jurisdiction over the claim that resulted in the minor's funds, the clerk should follow the disbursement provisions in the order.
 - a) If the order is silent on disbursement, the clerk may choose not to allow disbursements from the funds. Some clerks may allow disbursements after application of the standards that would be applicable to funds governed by G.S. § 7A-111.
 - b) If the order directs funds to be paid to the clerk "for the use and benefit of the minor" or language to that effect, the clerk has discretion to allow disbursement of funds pursuant to a request. Most clerks would apply the standards that would be applicable to funds governed by G.S. § 7A-111 to any requests for disbursements.
 - c) If the order contains language authorizing specific disbursements, such as \$300 a month to the grandmother who is caring for the minor, most clerks would comply with the order.

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- (1) If a clerk is uncomfortable with provisions in an order requiring specific disbursements, the clerk should consider bringing those provisions to the judge's attention.
- (2) If there is no satisfactory resolution of the clerk's concerns, the clerk can appoint a guardian or seek a declaratory judgment as to enforcement of the order.

IV. Administration of Funds for a Minor Greater Than \$25,000 Without a Court Order

- A. Applicability. This section deals with funds greater than \$25,000 received from one payor by the clerk for a minor without a court order. Because the amount is over \$25,000, the funds are not G.S. § 7A-111 funds.
- B. Receipt of funds without a court order.
 1. There is a significant question about the clerk's authority to hold funds greater than \$25,000 without being directed to do so by court order and without any statutory authorization to do so.
 2. Despite the lack of authority for the clerk's receipt of these funds, some clerks will accept the funds when they deem it to be in the best interest of the minor.
 3. The clerk should seriously consider requiring one of the alternatives to clerk administration set out in section V at page 88.11.
- C. Investment of funds received by the clerk without a court order.
 1. G.S. § 7A-112 applies to any funds received by virtue or color of the clerk's office, including funds greater than \$25,000 received by the clerk for a minor without a court order.
 2. See section II.C at page 88.4 and Liability of the Clerk, Introduction, Chapter 13, for investment of funds pursuant to G.S. § 7A-112.
- D. Disbursement of funds received by the clerk without a court order. There is no statute governing disbursement of these funds. If a clerk is going to allow disbursements from these funds, the clerk should consider applying the standards that would be applicable to funds governed by G.S. § 7A-111.

V. Alternatives to Clerk Administration

- A. Reasons to consider alternatives to clerk administration.
 1. When the funds are not G.S. § 7A-111 funds, there may be some question about the clerk's authority to hold, invest and disburse the funds.
 2. Funds invested by the clerk do not generally yield a high rate of return.
 3. Depending on the income generated by the funds, an annual return may have to be filed for taxes due.

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- B. Appointment of a guardian.
1. A guardian may be appointed for a minor or for an incompetent adult. [See subchapter II of G.S. Chapter 35A and Guardianship, Estates, Guardianships and Trusts, Chapter 86.]
 2. For a guardian to be appointed for the incapacitated adult referenced in G.S. § 7A-111, he or she would have to be found incompetent pursuant to Chapter 35A. [See subchapter I of G.S. Chapter 35A and Incompetency Determinations, Estates, Guardianships and Trusts, Chapter 85.]
 3. If the bond premium is a concern, a receipt and agreement can be used to reduce the amount of the guardian's bond. The receipt and agreement would also eliminate the clerk's investment fee.
 - a) Use of a receipt and agreement may be appropriate when the minor is close to majority and the 5% investment fee is likely to exceed the interest that can be earned on the funds.
 - b) The form is RECEIPT AND AGREEMENT (AOC-E-901M).
- C. Administration by a public guardian.
1. Under G.S. § 7A-111(b), a public guardian is entitled to receive and administer G.S. § 7A-111 funds for a minor or an incapacitated adult. The public guardian would be subject to the limitations in G.S. § 7A-111 and the standards for disbursement.
 2. Not all clerks have appointed a public guardian. Some clerks appoint private attorneys on an as-needed basis for individual guardianships instead of having a public guardian.
 3. Under Chapter 35A a public guardian is entitled to receive and administer non-7A-111 funds on behalf of a minor. [See G.S. § 35A-1272 providing that a public guardian has the same powers and duties as other guardians.]

VI. Administration of Funds for Incapacitated Adults

- A. Receipt of money for an incapacitated adult.
1. Insurance proceeds. When an adult who is mentally incapable on account of sickness, old age, disease or other infirmity to manage his or her affairs is named beneficiary in a policy or policies of insurance, and the insured dies during the incapacity of such adult, and the proceeds of each individual policy do not exceed \$5,000, the proceeds may be paid to and received by the clerk of superior court where the beneficiary is domiciled. The receipt of the clerk is a full and complete discharge of the insurer to the extent of the amount paid. [G.S. § 7A-111(b)]
 - a) This is \$5,000 or less **per** policy. In other words, the \$5,000 limitation applies to each policy payable to a beneficiary and

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does not limit the total amount that the clerk can receive for an incapacitated adult to \$5,000.

EXAMPLE: Relative of an incapacitated adult is killed in a traffic accident. Relative had a life insurance policy at work payable to the incapacitated adult in the amount of \$5,000. Relative had another life insurance policy that relative had purchased with the incapacitated adult as beneficiary in the amount of \$2,500. Clerk can receive and administer each policy amount (the full \$7,500) for the incapacitated adult.

- b) For receipt of funds received from multiple sources for the same person, see section II.C.4 at page 88.3.
 - c) Administration of funds for an incapacitated adult is rare.
2. Mental incapacity. A certificate of mental incapacity, signed by a physician or reputable person who has had an opportunity to observe the mental condition of an adult beneficiary, filed with the clerk, is prima facie evidence of the mental incapacity of such adult, and authorizes the clerk to receive and administer the funds. [G.S. § 7A-111(b)]
- a) The determination of incapacity referenced immediately above is separate and distinct from the procedure for the determination of incompetency provided in Chapter 35A. [G.S. § 7A-111(d)]
 - b) Some clerks accept a disability rating from the Veterans Administration as a qualifying certificate under G.S. § 7A-111.
 - c) The certificate of mental incapacity is “prima facie” evidence; therefore, it can be refuted by other evidence presented by the parties or interested persons. The clerks should consider all competent evidence presented on the question of mental incapacity before receiving and administering the funds.
3. Other funds. Any person having in his or her possession \$5,000 for any incapacitated adult for whom there is no guardian, may pay such monies into the office of the clerk of superior court of the county of the recipient’s domicile. The clerk’s receipt constitutes a valid release of the payor’s obligation to the extent of the sum delivered to the clerk. [G.S. § 7A-111(b)]

B. Investment and deposit of money for an incapacitated adult.

- 1. G.S. §§ 7A-112 and 7A-112.1 apply to funds administered by the clerk for an incapacitated adult under G.S. § 7A-111.
- 2. See section II.C at pages 88.4 for more on investment of funds.
- 3. For taking an investment fee on funds received from multiple sources for the same person, see section II.C.6 at page 88.5.

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- C. Disbursement of money held for an incapacitated adult.
 - 1. The clerk is authorized, upon a finding of fact that it is in the best interest of the incapacitated adult, to disburse funds directly to a creditor, a relative or to some discreet and solvent neighbor or friend for the purpose of handling the property and affairs of the incapacitated adult. [G.S. § 7A-111(b)] A person holding a power of attorney for the incapacitated adult is not automatically entitled to receive the funds. The clerk must make the same decision about disbursement as the clerk would for any other person.
 - 2. The clerk shall require receipts or paid vouchers showing that the monies disbursed were used for the exclusive use and benefit of the incapacitated adult. [G.S. § 7A-111(b)]

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APPENDIX I

FILE NO. _____ - E -
COUNTY OF _____
BEFORE THE CLERK

PETITION FOR RELEASE OF MINOR'S FUNDS

(for use for any request from funds held by the clerk)

_____, first being duly sworn, deposes and says: that the affiant is the _____ of _____, a minor child, age _____, who has funds in the Court and who is without a guardian of the estate; that the minor is an indigent and needy child, needing necessities as follows:

NAME OF ITEM	TO BE PURCHASED FROM	COST
_____	_____	\$ _____
_____	_____	\$ _____

that the necessities cannot be supplied to the minor from other sources because _____;
that \$ _____ is needed from the minor's funds to supply the above necessities for the minor; that it would be in the best interest of the minor to pay out said sum for the necessities set out above; that the money will be used and faithfully applied for the sole benefit and maintenance of the minor and needy child.

WHEREFORE, Petitioner prays that the Court pay the requested sum out of the minor's funds for the use and benefit of the minor.

This the _____ day of _____, _____.

Sworn to and subscribed before me this the _____ day of _____, _____.

Petitioner

Clerk of Superior Court

Petitioner

.....

APPROVAL OF PETITION FOR RELEASE OF MINOR'S FUNDS

(For use when money is disbursed to parent or non-provider of the good or service)

The Court finds from the above Petition and testimony of the affiant satisfactory proof that the items listed in the Petition are necessary, and the Petition is hereby approved.

It is further ORDERED that the affiant to whom the sum is paid, render an account of the expenditure so paid.

This the _____ day of _____, _____.

Clerk of Superior Court

CLERK'S ADMINISTRATION OF FUNDS OWED TO MINORS & INCAPACITATED ADULTS

RECEIPT OF PARENT OR NON-PROVIDER

Received of _____, Clerk of Superior Court for _____ County,
North Carolina, the sum of \$_____, to be used and faithfully applied for the sole benefit
and maintenance of the minor listed in the Petition. I understand that I am to file with the
clerk receipts that document the expenditure made.

Witness

Signature of Parent or Non-Provider

Date: _____